TIPPECANOE COUNTY COUNCIL
PUBLIC HEARING
NOVEMBER 14, 2006

The Tippecanoe County Council Public Hearing began at 1:00 P.M. Tuesday, November 14, 2006 in the Tippecanoe Room in the County Office Building. Council members present were: President David S. Byers, Ronald L. Fruitt, Betty J. Michael, Thomas P. Murtaugh, Kevin L. Underwood, and Kathy Vernon. Others present were: Auditor Robert A. Plantenga, Attorney David W. Luhman, and Secretary Pauline E. Rohr.

President Byers called the meeting to order and led the Pledge of Allegiance.

DEPARTMENT OF CHILD SERVICES: Requested Debt Service Loan

Attorney Luhman explained that the County is required to fund the Department of Child Services (DCS) to pay for programs ordered by the Juvenile Court Judge. In October, the Council approved a $3.8 million additional appropriation to pay their outstanding debts. To provide cash to fund the appropriation, the Council authorized a temporary loan of $1 million from the Rainy Day Fund and $1 million from the COIT Reserve Fund that will be paid back when the DCS receives their December 2006 Settlement. To get them through the first six months of 2007, they are asking to borrow $3 million for which repayment will begin in 2008 for a specified number of years to lessen the impact to taxpayers.

➔ Councilmember Jeffrey A. Kemper entered the meeting.

Auditor Plantenga said the DCS will be out of money at the end of 2006. To determine the impact on property taxes, if the $3 million loan is approved, he estimated the tax rate for a 3 year, 5 year, and 10 year loan using interest rates of 5%, 6%, 7%, and 8% based on the 2006 assessed valuation. He estimated a home in Fairfield Township with an assessed value of $150,000, Homestead and Mortgage Deduction would pay:

Years	Tax Rate	Amt of Tax/Year
3	1.5 cents	$10.00
5	1.0 cents	$6.00
10	.5 cents	$3.50

After making these calculations, he learned from the Treasurer that current interest rates are 3.99% for 3 years, 4.19% for 5 years, and 4.29% for 10 years.

To also be considered, taxes for an individual property may not exceed 2% of the assessed valuation when the Circuit Breaker becomes effective in pay 2010.

Angela Smith-Grossman, Director of Child Services: In 1997, DCS had a $9 million budget and served 72 children. In 2006, DCS has a $13.8 million budget and averages 461 children monthly. She discussed action steps to reduce spending:

1. A request will be made to the Early Intervention Team to review current Department service recommendations and placements in a sample caseload. This body consists of a multi-disciplinary membership outlined in statute that can offer strategies on may issues, including budgetary and best practice.

2. A tandem effort will continue with Probation to increase utilization of available reimbursement avenues and their compliance with notification to the DCS of financially eligible children.

3. An internal audit is being conducted of all foster homes and adoptive homes to assure accuracy of payment.

4. All referrals for services are reviewed by the supervisor prior to being made and a third party sample of service referrals and court recommendations are provided to the Director monthly for comment, feedback and amendment.

5. Program focus locally is not only on program design that meets immediate need but also reduces re-entry into the Child Welfare System. (i.e. Babies Can't Wait, Community Partners for Child Safety, Intensive Family Reunification and Preservation)

Councilmember Kemper asked if services are duplicated among agencies. Mrs. Smith-Grossman said there are but that competition leads to better rates.

President Byers asked who is conducting the internal audit. Mrs. Smith-Grossman said she is. President Byers then asked who sets the reimbursement rate. Mrs. Smith-Grossman said the Federal Government sets the rate based on the number of children served.

Mary Edmonds, State DCS Deputy Director of Finance: The DCS works with two types of reimbursements, State and Federal. Children have to be eligible to receive Federal funds. The State reimbursement pays 22% of Adoption costs for IV-E eligible children and prevention dollars for Child Welfare Services.

Answering President Byer's question regarding who audits the DCS, she said the State Board of Accounts' audit does not look at services the DCS provides. However, the State is in the process of establishing two different audit processes. An internal audit with a controller and approximately 18 accountants will review and audit the DCS for the entire state. Approximately 8 quality assurance consultants will review counties for appropriate placements and services.

Ms Edmonds said State initiatives include $16 million to reimburse counties for a new program, Intensive Family Preservation and Reunification Services, that will provide intensive services to families on a daily basis. Another $6 million of Federal and State money is creating Community Partners, a program to identify families that are at risk. Additionally, a Regional Service Council made up of judges, DCS directors, providers, and Probation Officers will insure the local DCS is getting the most for dollars spent for services.

Councilmember Kemper said the Council is trying to listen to the taxpayers but is still required to fund a State program. He wondered why there is not an emergency bail-out fund at the State level for counties that can't afford to pay. Ms Edmonds responded that there is very little money at the State level for Child Welfare.

Councilmember Murtaugh expressed his frustration that the State has money to fund new programs but not to pay for debt. Ms Edmonds responded that these pots of money aren't always available and, if they are used for debt, nothing will have been done to make a change. She thinks spending the $16 million for Family Preservation is a good investment and will change the ways families are served.

Councilmember Vernon asked how these programs will be funded when the pots of money run out. Ms Edmonds said the programs will be funded with Family & Children money because it is a child welfare program.

Councilmember Michael interjected that dozens of departments and organizations come to the County for money. If each one comes in for $2 million, all others will be impacted.

<u>John Ryan, General Counsel for Department of Child Services</u>: Mr. Ryan said the DCS has the responsibility to protect abused and neglected children but the way that is done needs to be changed. He said getting the child through the system faster will reduce the cost for the County and the State. He reported that 54 of 2000 reported child abuse and neglect cases resulted in fatalities.

<u>John Blignaut, 325 Jefferson Dr., W. Laf</u>.: Mr. Blignaut said this is a delicate and emotionally driven issue. In his opinion, the State's system is antiquated and paper driven. He encouraged the Council to be careful regarding how local dollars are invested and advocated using the resources to try to fix the system.

<u>Pam Biggs-Reed, Community Family Resource Center Director</u>: The DCS owes the CFRC payments that date back to August 2005. She said a shortfall in their money is historical.

<u>Vickie Brose, Wabash Valley Hospital</u>: She said the DCS has improved its efficiency, is more responsive, and pro-active. She thinks they are committed to work on changes.

<u>Michael Hayes, PO Box 4544:</u> Having had a child in the system, Mr. Hayes said the DCS doesn't work with parents they way it should. In his opinion, there are other organizations in the State that can help without putting all the support onto the County's taxpayers.

<u>Marvin McBride, MD, 783 Lydia Ln., W. Laf.</u>: As a physician in the community, he said it is his responsibility to report abuse and neglect and an institution to turn to is needed. On the other hand, he thinks the taxpayers are paying an exorbitant amount of taxes to support the DCS and is concerned when he reads they need more tax money. He thinks they need to assess their needs and adjust so the taxpayer is not being hit constantly.

<u>Coleen Hamrick, 690 Old Farm Rd., Laf. and CASA Director</u>: Mrs. Hamrick asked, "how can we not do this". She said these children are in our community. In her opinion, we have to take responsibility or we will see them in the adult system.

<u>Susan Smith, President & CEO of Family Services, Inc</u>.: Ms Smith thinks it is important to recognize that major improvements have been made in the Child Services system in the last several years. She thinks there is still room for improvement but many agencies are attempting to work more closely together.

<u>Michele Edmonds, 5700 Anjolea Way:</u> Ms Edmonds said they are changing the way they are doing things because taxpayers are upset. She thinks they need to manage their money and stay within their budget and therefore opposes approving the bond. In her opinion, they should take care of those already in the system before bringing in others.

Attorney Luhman explained that the immediate issue is what to do about the DCS' outstanding debt of $3.4 million. The Council can approve a Debt Service Loan to pay the $3 million debt or, if the Council does nothing, the DCS will have little or no cash balance to start 2007. He said they can anticipate advance draws from the June Settlement early in 2007 to meet the current operating budget of $6.9 million but there will still be a $3 million debt. If the Council wants to take care of the $3.4 million debt, it requires an ordinance to appropriate the funds and an ordinance to approve the loan. Because both ordinances require two readings, he said they can be approved on first reading today, and on second reading at the December Council meeting.

Mrs. Smith-Grossman said their current debt is $2.4 million.

Councilmember Fruitt said he thinks the Council needs to take care of the outstanding $2.4 million bills today and take more time to consider the impact on taxpayers.

Councilmember Murtaugh observed that the $2 million temporary loan approved last month was only a band-aid to pay November and December bills to providers. Councilmember Vernon asked for confirmation that the $2 temporary million will be paid back with December Settlement funds. She then suggested that another temporary loan could be made in February 2007 that will be paid back with June Settlement funds. Attorney Luhman said the June Settlement amount will be $4.5 million can be used to fund program expenses with a budget of $6.9 million or pay the outstanding debt of $2.4 million.

ORDINANCE 2006-25-CL: Appropriating the Proceeds of the Tippecanoe County Welfare Note of 2006: First Reading

Ordinance 2006-25-CL will appear in its entirety in the Ordinance and Resolution book in the County Auditor's Office.

President Byers called for a motion to approve Ordinance 2006-25-CL for a $3 million debt service loan so that it can be placed on the table for a vote. It was established that passage on first reading is not binding, and the ordinance may be amended before second reading in December.

- Councilmember Fruitt moved to approve Ordinance 2006-25-CL on first reading, seconded by Councilmember Murtaugh.

Auditor Plantenga recorded the vote:

Dave Byers	No
Jeffrey Kemper	No
Ronald Fruitt	Yes
Betty Michael	No
Kathy Vernon	No
Thomas Murtaugh	Yes
Kevin Underwood	No

- The motion to approve Ordinance 2006-25-CL failed 5 – 2.

RECESSED

President Byers recessed the meeting at 2:15 P.M.

TIPPECANOE COUNTY COUNCIL

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David S. Byers, President	Betty J. Michael
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Jeffrey A. Kemper, Vice President	Thomas P. Murtaugh
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Ronald L. Fruitt	Kevin L. Underwood
Attest:_________________________	___________________________
Robert A. Plantenga, Auditor	Kathy Vernon